

**POINTE COUPEE PARISH SHERIFF
NEW ROADS, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-26-05

**POINTE COUPEE PARISH SHERIFF
NEW ROADS, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

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MAJOR & MORRISON

CERTIFIED PUBLIC ACCOUNTANTS

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CERTIFIED PUBLIC ACCOUNTANTS
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Paul Raymond Smith
Pointe Coupee Parish Sheriff
New Roads, Louisiana 70760

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pointe Coupee Parish Sheriff as of and for the year ended June 30, 2004, which collectively comprise the Sheriff's basic financial statements as listed in the forgoing table of contents. These financial statements are the responsibility of the management of the Pointe Coupee Parish Sheriff. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Pointe Coupee Parish Sheriff, as of June 30, 2004, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2004 on our consideration of the Pointe Coupee Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Required Supplementary Information on pages 3 through 9 and pages 32 and 33, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Pointe Coupee Parish Sheriff. Such

information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Major & Morrison

Major and Morrison
New Roads, Louisiana
November 30, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

POINTE COUPEE PARISH SHERIFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

Within this section of the Pointe Coupee Parish Sheriff (the Sheriff) annual financial report, the Sheriff's management provides this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2004. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities by \$2,692,908 (net assets) for the fiscal year reported.

Total assets are comprised of the following:

1. Capital assets, net of related debt, of \$2,590,086 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt.
2. Unrestricted net assets of \$48,157 represent the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.

The Sheriff's governmental funds reported total ending fund balance of \$102,822 this year. This compares to the prior year ending fund balance of \$416,316, showing a decrease of \$313,494. General fund balance of \$102,822 shows a \$313,489 decrease from the prior year.

At the end of the current fiscal year, unreserved-undesignated fund balance for the General Fund was \$48,157. Overall, the Sheriff's office continues to use its reserves due to a flat revenue base and increasing expenses. The financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Sheriff also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide *statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff's finances would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Sheriff's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by the Sheriff's taxpayers.

POINTE COUPEE PARISH SHERIFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property taxes. The sole purpose of these governmental activities is public safety. The government-wide financial statements are presented on pages 10 and 11 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

The Sheriff has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The basic governmental fund financial statements are presented on pages 12-16 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending a court action and the individual prison inmate accounts. The Sheriff only reports agency funds. The basic agency fund financial statement is presented on page 17 of this report.

Notes to the basic financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 18 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund. These statements and schedules demonstrate compliance with the Sheriff's adopted and final revised budget. Required supplementary information can be found on pages 32 and 33 of this report.

In addition, other supplemental information providing details on the nonmajor governmental funds and individual agency funds is presented on pages 34 through 39 of this report.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff implemented the new financial reporting model used in this report beginning with the fiscal year ended June 30, 2003. Over time, as year-to-year financial information is accumulated on a consistent

POINTE COUPEE PARISH SHERIFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

basis, changes in net assets may be observed and used to discuss the changing financial position of the Sheriff as a whole.

The Sheriff's net assets at fiscal year-end are \$2,692,908. The following table provides a summary of the Sheriff's net assets:

Summary of Net Assets

	2004	%	2003	%
	<u>Governmental</u>	<u>Total</u>	<u>Governmental</u>	<u>Total</u>
	<u>Activities</u>		<u>Activities</u>	
Assets:				
Current assets and other assets	\$ 488,691	13%	\$ 689,623	17%
Capital assets	<u>3,222,368</u>	<u>87%</u>	<u>3,293,050</u>	<u>83%</u>
Total Assets	<u>3,711,059</u>	<u>100%</u>	<u>3,982,673</u>	<u>100%</u>
Liabilities:				
Current liabilities	512,441	51%	449,437	44%
Long-term liabilities	<u>505,710</u>	<u>49%</u>	<u>581,118</u>	<u>56%</u>
Total liabilities	<u>1,018,151</u>	<u>100%</u>	<u>1,030,555</u>	<u>100%</u>
Net assets:				
Investment in capital assets, net of debt	2,590,086	96%	2,535,802	86%
Restricted	54,665	2%	33,148	1%
Unrestricted	<u>48,157</u>	<u>2%</u>	<u>383,168</u>	<u>13%</u>
Total net assets	<u>\$2,692,908</u>	<u>100%</u>	<u>\$ 2,952,118</u>	<u>100%</u>

The Sheriff continues to maintain a low current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is .95 to 1, reflecting an emergency situation, which will be remedied within the next operating cycle.

The Sheriff reported positive ending balances in net assets for the governmental activities. Net assets for the sheriff decreased by \$259,209 for governmental activities in fiscal 2004.

Note that 87% of the governmental activities' total assets are tied up in capital assets. The Sheriff uses these capital assets to provide services to its citizens.

The following table provides a summary of the Sheriff's changes in net assets:

**POINTE COUPEE PARISH SHERIFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004**

Summary of Changes in Net Assets

	<u>Governmental Activities 6/30/04</u>	<u>Percent of Total 6/30/04</u>	<u>Governmental Activities 6/30/03</u>	<u>Percent of Total 6/30/03</u>
Revenues:				
Program:				
Charges for services	\$ 1,276,669	23%	\$ 1,187,209	21%
Operating grants	451,500	8%	395,509	7%
Capital grants	156,307	3%	0	0%
General:				
Ad Valorem taxes	3,428,413	61%	3,539,131	64%
Unrestricted state grants	187,481	3%	187,945	3%
Interest earnings	4,692	1%	8,164	1%
Miscellaneous	<u>82,671</u>	<u>1%</u>	<u>258,392</u>	<u>4%</u>
Total revenues	<u>5,587,733</u>	<u>100%</u>	<u>5,576,350</u>	<u>100%</u>
Program expenses:				
Public safety	5,811,148	99%	5,799,450	99%
Interest	<u>35,794</u>	<u>1%</u>	<u>40,448</u>	<u>1%</u>
Total expenses	<u>5,846,943</u>	<u>100%</u>	<u>5,839,898</u>	<u>100%</u>
Change in net assets	(259,209)		(263,548)	
Beginning net assets	<u>2,952,117</u>		<u>3,215,665</u>	
Ending net assets	<u>2,692,908</u>		<u>2,952,117</u>	

Governmental Revenues

The Sheriff is heavily reliant on property taxes to support its operation. Property taxes provided 61% of the sheriff's total revenues. Program revenues, intergovernmental agreements, sheriff's office fees and commissions, other sheriff's office revenues, and interest on deposits fund 39% of governmental operating expenses. Current year percentages for property taxes were lower due to the receipt of pretested taxes in the prior year. Grant income has increased due to federal funding from the Office of Homeland Security because of increased terrorist threats.

Governmental Functional Expenses

The total function of the Sheriff's office is public safety activities. The only other non-functional cost was interest expense related to the certificates of indebtedness. Of the total public safety costs, depreciation on the capital assets was \$331,916 or 6% of total costs.

POINTE COUPEE PARISH SHERIFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

Governmental funds:

As discussed, governmental funds are reported in the fund statements with short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$102,822. Of this year-end total, \$48,157 is unreserved indicating availability for continuing the sheriff's activities. Legally restricted fund balances (reserved fund balances) include \$54,665 for possible liability claims.

The total ending fund balances of governmental funds show a decrease of \$313,494 and resulted from decreased property tax revenues, INS prisoner revenues, and local revenues.

Major Governmental Funds

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's balance decreased by \$313,489 from the prior year. In fiscal 2002 - 2003 the General Fund decreased approximately \$203,933. The current year decrease was larger compared to the prior year due to a number of factors. Although expenses decreased by \$27,975, revenues also decreased by \$131,732. Revenue decreased due to settlement of protested taxes in the prior year reflecting an overall decrease in ad valorem tax collections in the current period. Revenues derived from feeding, transporting and keeping prisoners, as well as INS funding, decreased from the prior year by roughly \$113,000 due to lower INS inmate counts. Continued increases in personnel benefits, mainly health care costs and retirement expenses, will have a negative impact on the financial operations of the office unless steps are taken to lower other operating costs or raise additional revenues.

The General Fund's ending fund balance was lower than the prior year, reflecting the continued use of reserves to cover excess spending. The fund balance reflects a declining position and requires steps be implemented to reduce the overspending in excess of currently generated revenues.

Budgetary Highlights

General Fund

The General Fund's final revenue budget reflected an increase over the original budget in the amount of \$96,224 due to the expected increase in fines, forfeitures, and public donations.

The final expenditure budget reflected an increase in expenditures over the original budget in the amount of \$119,438. Increases included:

- Pension contributions were 20% higher than prior year
- Property & auto insurance increased by 25%
- Repairs & maintenance costs increased 18% due to older equipment
- Fuel costs were 14% higher than estimated due to higher gasoline prices

The increases described above required use of fund balance in order to balance the budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Sheriff's investment in capital assets, net of accumulated depreciation and debt as of June 30, 2004, was \$2,590,086. The overall increase was 2.1% for the Sheriff as a whole. See footnote number 7 for

POINTE COUPEE PARISH SHERIFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

additional information about changes in capital assets during the fiscal year and balances at year end. The following table reflects a summary of capital asset activity.

Capital Assets:

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Depreciable assets:		
Buildings, furniture & fixtures	\$ 1,705,246	\$ 1,610,413
Weapons & law enforcement equipment	2,336,006	2,177,950
Vehicles	<u>1,065,785</u>	<u>972,787</u>
Total depreciated assets	5,107,037	4,761,150
Less accumulated depreciation	<u>1,884,669</u>	<u>1,553,261</u>
Book value – depreciable assets	<u>\$ 3,222,368</u>	<u>\$ 3,207,889</u>
Percentage depreciated	<u>37%</u>	<u>33%</u>

The major additions to capital assets include:

Communication equipment from grant revenue	\$156,307
New computers and upgrades	\$ 7,488
Law enforcement vehicles(lease purchase)	\$ 93,867

Long-term debt:

At the end of the fiscal year, the Sheriff had long-term debt in the amount of \$505,710 (excluding current portions due within the next year), representing capital lease payments due on law enforcement vehicles and outstanding certificates of indebtedness from the building and equipping of the 911 communication center.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Approximately 60% of the sheriff's revenues are derived from ad valorem taxes, with the La. Generating power plant providing 38% of the ad valorem taxes in the parish. As the plant ages, assessment values and revenues will continually decline. Reassessment of the tax roll has occurred resulting in increased ad valorem taxes for the current year with other revenues expected to remain stable with possible additional grant monies. Expenses in total are expected to decrease with a large reduction in capital outlay expenditures by freezing the purchase of vehicles, computers, and weapons to balance the budget. Group health costs are expected to increase by 7% along with a 16% decrease in general and auto liability insurance. Additional reductions have been implemented on cell phone, pagers, training, education, and conference expenses. Payroll and related benefits are estimated to remain stable or decrease slightly through attrition and consolidating vacated positions in lieu of rehiring. The sheriff has requested a 12 year 12 mill property tax increase to be voted on by the public in January 2005, which could raise additional tax revenues by \$2.9 million. This would provide additional revenue to eliminate deficit spending, provide needed funding for delayed capital expenditures, and possible cash reserves for emergencies.

POINTE COUPEE PARISH SHERIFF

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finance, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Paul Raymond Smith, Sheriff, Pointe Coupee Sheriff and Tax Collector, 152 East Main Street New Roads, LA, 70760.

BASIC FINANCIAL STATEMENTS

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana

Statement of Net Assets

June 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 135,783
Accounts receivable	267,383
Intergovernmental receivables	85,548
Capital assets:	
Land	85,161
Other capital assets, net of depreciation	<u>3,137,207</u>
Total Assets	<u>3,711,059</u>
LIABILITIES	
Accounts payable and accrued expenses	385,870
Current portion of long-term obligations	128,571
Non-current portion of long-term obligations	<u>505,710</u>
Total Liabilities	<u>1,019,151</u>
NET ASSETS	
Invested in capital assets, net of related debt	2,590,086
Restricted for:	
Claims liability	54,865
Unrestricted (deficit)	<u>48,157</u>
Total net assets	<u>\$ 2,692,908</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana**

Statement of Activities

For the Year Ended June 30, 2004

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government - Public Safety	\$ 5,811,148	\$ 1,276,669	\$ 451,500	\$ 156,307	\$ (3,928,673)
Interest on long term debt	<u>35,794</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(35,794)</u>
Total governmental activities	\$ 5,846,943	\$ 1,276,669	\$ 451,500	\$ 156,307	\$ (3,662,467)
General revenues:					
Ad valorem taxes					3,428,413
State revenue sharing					182,010
Video poker revenues					25,471
Gain (loss) on sale of equipment					4,664
Miscellaneous					78,007
Unrestricted investment earnings					<u>4,694</u>
Total general revenues					<u>3,703,258</u>
Change in net assets					(259,209)
Net assets - beginning of the year					<u>2,962,117</u>
Net assets - end of the year					<u>\$ 2,692,908</u>

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2004

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE HOMELAND SECURITY GRANT</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS AND OTHER DEBITS			
<i>Assets:</i>			
Cash and cash equivalents	\$ 135,783	\$ 0	\$ 135,783
Receivables	<u>196,602</u>	<u>156,307</u>	<u>352,909</u>
Total Assets and Other Debits	<u>\$ 332,385</u>	<u>\$ 156,307</u>	<u>\$ 488,692</u>
LIABILITIES, EQUITY, AND OTHER CREDITS			
<i>Liabilities:</i>			
Accounts and salaries payable	\$ 8,603	\$ 156,307	\$ 164,910
Compensated absences payable	166,295	0	166,295
Claims liability	<u>54,665</u>	<u>0</u>	<u>54,665</u>
Total Liabilities	<u>229,563</u>	<u>156,307</u>	<u>385,870</u>
<i>Equity and Other Credits:</i>			
Fund balances			
Unreserved - designated	54,665	0	54,665
Unreserved - undesignated	<u>48,157</u>	<u>0</u>	<u>48,157</u>
Total Equity and Other Credits	<u>102,822</u>	<u>0</u>	<u>102,822</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u>\$ 332,385</u>	<u>\$ 156,307</u>	<u>\$ 488,692</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana**

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets**

For the Year Ended June 30, 2004

Total fund balance - governmental funds	\$ 102,822
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance sheet - governmental funds.	3,222,368
Long-term liabilities, including certificates of indebtedness, are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(632,281)</u>
Total net assets of governmental activities	<u>\$ 2,692,908</u>

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana
GOVERNMENTAL FUNDS

**Statement of Revenues, Expenditures, and
Changes In Fund Balance
For the Year Ended June 30, 2004**

	GENERAL FUND	SPECIAL REVENUE HOMELAND SECURITY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Ad valorem taxes	\$ 3,428,413	\$ 0	\$ 0	\$ 3,428,413
Intergovernmental revenues:				
Federal grants	83,070	158,307	87,354	328,730
State grants:				
State revenue sharing	162,010	0	0	162,010
State supplemental pay	196,362	0	0	196,362
Miscellaneous	1,575	0	0	1,575
Local	194,592	0	0	194,592
Fees, charges, and commissions for services:				
Commissions on licenses, etc.	18,182	0	0	18,182
Civil and criminal fees	86,604	0	0	86,604
Court attendance	5,984	0	0	5,984
Feeding, transporting, and keeping prisoners	683,666	0	0	683,666
Fines and forfeitures	107,525	0	0	107,525
Interest	4,693	0	1	4,694
Miscellaneous	366,733	0	0	366,733
	5,339,409	158,307	87,355	5,583,070
EXPENDITURES				
Public safety:				
Personal services and related benefits	4,245,598	0	43,252	4,288,851
Operating Services	742,976	0	17,290	760,266
Materials and supplies	380,332	0	2,790	383,122
Capital outlay	143,612	158,307	26,644	328,563
Debt service	95,794	0	0	95,794
Miscellaneous	66,994	0	0	66,994
	5,655,307	158,307	89,977	5,901,590
EXCESS(Deficiency) OF REVENUES OVER EXPENDITURES	\$ (315,898)	\$ 0	\$ (2,622)	(318,520)

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2004

	GENERAL FUND	SPECIAL REVENUE HOMELAND SECURITY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
EXCESS(Deficiency) OF REVENUES OVER EXPENDITURES	\$ (315,898)	\$ 0	\$ (2,622)	\$ (318,520)
OTHER FINANCING SOURCES (Uses)				
Sale of equipment	5,026	0	0	5,026
Transfers in	8	0	2,623	2,628
Transfers out	(2,623)	0	(6)	(2,628)
Total other financing sources (uses)	2,409	0	2,617	5,026
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(313,489)	0	(5)	(313,494)
FUND BALANCE AT BEGINNING OF YEAR	416,311	0	5	416,316
FUND BALANCE AT END OF YEAR	\$ 102,822	\$ 0	\$ 0	\$ 102,822

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes In Fund Balances of Governmental Funds to the Statement of Activities**

For the Year Ended June 30, 2004

Net change in fund balances - total governmental funds \$ (313,494)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount which capital outlays exceeded depreciation in the current period.

Capital outlays	191,548
Depreciation expense	(331,916)

Governmental funds report the proceeds from the sale of capital assets as revenues. However, in the statement of activities only gains or losses are reported:

Gain (loss) on the disposal of capital assets	4,664
Proceeds from sale of capital assets	(5,026)

Repayment of the principal of long term debt results in the use of current financial resources in the governmental funds, but has no effect on the Statement of Net Assets. This represents the amount of principal retirement of long term debt.

195,017

Change in net assets of governmental activities \$ (259,209)

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SHERIFF
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STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2004

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and cash equivalents	\$ <u>307,696</u>
TOTAL ASSETS	\$ <u>307,696</u>
LIABILITIES	
Due to taxing bodies and others	<u>307,696</u>
TOTAL LIABILITIES	\$ <u>307,696</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigation and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the sheriff is responsible for collecting and distributing ad valorem property taxes, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court.

1. SUMMARY OF SIGNIFICANT POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Pointe Coupee Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The sheriff is an independently elected official. The Pointe Coupee Parish Police Jury does maintain and operate the parish courthouse in which the sheriff's office is located. However, because the police jury does not provide significant assistance to the sheriff, which makes the sheriff fiscally independent of the police jury, the sheriff was determined not to be a component unit of the Pointe Coupee Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the sheriff are classified into two categories: governmental and fiduciary. Each category, in turn is divided into separate fund types. The fund classifications and a description of each existing fund type follows:

POINTE COUPEE PARISH SHERIFF
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Notes to the Financial Statements

Governmental Funds

Governmental funds account for all or most of the sheriff's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the sheriff. The following are the sheriff's governmental funds:

General Fund – The General Fund, as provided by Louisiana Revised Statute 13:1422, is the principal fund of the sheriff's office and accounts for all financial resources, except those required to be accounted for in other funds. The sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Fiduciary Funds:

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the sheriff are agency funds. The agency funds account for assets held by the sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the sheriff as a whole. These statements include all the financial activities of the sheriff. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues – Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and other funds of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other

POINTE COUPEE PARISH SHERIFF
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financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the sheriff's operations (See the reconciliation statements).

The amounts reflected in the General Fund in the FFS use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which include state supplemental pay for deputies and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Federal and state grants are recorded when the expenditures have been incurred.

Local intergovernmental reimbursements are recognized monthly when available and measurable.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Interest earnings on time deposits are recorded when the time deposits are matured and the interest is available. Interest on checking and money market accounts is recorded monthly when the interest is available.

Feeding, transporting, and maintenance of prisoners' revenues are recorded monthly for services rendered during the month.

Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when earned.

Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased.

Compensated absences are recognized as benefits are earned.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)

Transfers between funds, which are not expected to be repaid, are accounted for as other financing sources (uses) when the sheriff authorizes the transfer.

Deferred Revenues

POINTE COUPEE PARISH SHERIFF
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Notes to the Financial Statements

Deferred revenues arise when resources are received by the sheriff before it has legal claim to them, as when grant monies are received before the incurrence of qualifying expenditure. In subsequent periods, when the sheriff has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

E. BUDGETS

The proposed budget for fiscal year June 30, 2004 was made available for public inspection on May 29, 2003. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 16 days before the public hearing, which was held at the Pointe Coupee Parish Sheriff's office on June 13, 2003, for comments from taxpayers. *The budget is legally adopted and amended, as necessary, by the sheriff.*

All expenditure appropriations lapse at year-end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Encumbrance accounting is not used. However, formal integration of the budget into the accounting records is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

The Office of the Pointe Coupee Parish Sheriff does not employ encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the sheriff may deposit with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

H. INVESTMENTS

Investments are limited by R.S. 33:2955 and the sheriff's investment policy. If the original maturities exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The sheriff had no investments as of June 30, 2004.

GASB Statement No. 31 requires the sheriff to report investments at fair value in the balance sheet, except as follows:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, should be reported using a cost-based measure, provided that the fair value of those contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors.
2. The sheriff may report at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid investment contracts include U.S. Treasury obligations. Interest-earning investment contracts that include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

POINTE COUPEE PARISH SHERIFF
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In accordance with GASB Statement No. 31, the sheriff reports investments at amortized cost, money market investments and participating interest-bearing investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$500 or more for capitalizing capital assets. All fixed assets are valued at historical cost.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Vehicles	5 years
Office furniture & equipment	5 - 20 years
Law enforcement weapons & equipment	7 - 10 years
Buildings	40 years

J. COMPENSATED ABSENCES

The sheriff's office has the following policy relating to vacation and sick leave:

Annual Leave

3.5 hours per month for years 0 through 2 years of service.
7.0 hours per month for years 2 through 5 years of service.
10.5 hours per month for years 5 through 10 years of service.
12.0 hours per month after 10 years of service.

A maximum of 144 hours of annual leave may be carried over from one calendar year to the next.

K-time

Compensatory time may be awarded to employees in lieu of cash payments and is work performed in connection with an emergency declared by the sheriff. K-time may accrue up to a maximum of 80 hours, and may be carried over from one calendar year to the next.

Sick Leave

All employees are limited to 10 sick days per year.

The sheriff's recognition and measurement criteria for compensated absences follows GASB Statement No. 16 which provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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K. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

- 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- 2) imposed by law through constitutional provisions or enabling legislation.

L. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

M. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

No individual funds had actual expenditures over budgeted appropriations for the year ended June 30, 2004.

3. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Property Tax	15.39	15.39	Indefinite

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for Sheriff</u>
La. Generating, LLC	Electric	\$ 95,907,345	37.45%	\$ 1,476,014
Entergy Gulf States	Electric	22,375,740	8.73%	344,363
BP Amoco Production	Oil & Gas	9,480,088	3.70%	145,899
Union Pacific Corp	Railroad	5,319,640	2.07%	81,869
Transcontinental Pipeline	Pipeline	3,476,970	1.35%	53,511
Texas Eastern Transmission	Pipeline	3,146,110	1.23%	48,419
Colonial Pipeline	Pipeline	3,264,201	1.27%	50,236
Total		\$142,970,094	55.80%	\$ 2,200,311

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4. CASH AND CASH EQUIVALENTS

At June 30, 2004, the sheriff has cash and cash equivalents (including agency funds) totaling \$443,479 as follows:

Demand deposits	\$ 0
Interest Bearing Demand Deposits	\$443,479
Total	\$443,479

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2004, the sheriff has \$819,044 in deposits (collected bank balances). These deposits are secured from risk by \$104,606 of federal deposit insurance and \$3,104,072 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

5. RECEIVABLES

The following is a summary of receivables at June 30, 2004:

<u>Class of Receivables</u>	<u>General Funds</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Intergovernmental:			
Federal	\$ 56,726	\$ 156,307	\$ 213,033
State	18,282	0	18,282
Local	10,538	0	10,538
Accounts Receivable	<u>111,056</u>	<u>0</u>	<u>111,056</u>
Total Receivables	\$ 196,602	\$ 156,307	\$ 352,909

6. INTERFUND RECEIVABLES/PAYABLES

There were no individual balances due from/to other funds in the fund financial statements at June 30, 2004.

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Notes to the Financial Statements

7. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2004 are as follows:

	Furniture & Fixtures	Vehicles	Weapons & Equipment	Buildings	Total
Cost of capital assets, June 30, 2003	\$ 630,297	\$ 972,787	\$2,177,951	\$ 980,115	\$4,761,150
Additions	7,488	93,867	158,057	2,185	261,597
Deletions	(— 0)	(— 870)	(— 0)	(— 0)	(— 870)
Cost of capital assets, June 30, 2004	<u>637,785</u>	<u>1,065,784</u>	<u>2,336,008</u>	<u>982,300</u>	<u>5,021,877</u>
Accumulated depreciation, June 30, 2003	428,368	666,881	409,006	49,006	1,553,261
Additions	67,305	122,278	117,812	24,522	331,917
Deletions	(— 0)	(— 508)	— 0	— 0	(— 508)
Accumulated depreciation, June 30, 2004	<u>495,673</u>	<u>788,651</u>	<u>526,818</u>	<u>73,528</u>	<u>1,884,670</u>
Capital assets net of accumulated depreciation, at June 30, 2004	<u>\$142,112</u>	<u>\$ 277,133</u>	<u>\$1,809,190</u>	<u>\$ 908,772</u>	<u>\$3,137,207</u>

Depreciation expense of \$331,916 for the year ended June 30, 2004 was charged to the general fund governmental function.

8. ACCOUNTS AND SALARIES PAYABLE

The payables of \$385,870 at June 30, 2004, are as follows:

	General Fund	Special Revenue	Total
Accounts payable	\$ 10,855	\$ 156,307	\$ 167,162
Salaries & W/H payable	164,043	0	164,043
Other	<u>54,665</u>	<u>0</u>	<u>54,665</u>
Total	<u>\$ 229,563</u>	<u>\$156,307</u>	<u>\$ 385,870</u>

9. PENSION PLAN

Plan Description. Substantially all employees of the Pointe Coupee Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5% for each year if total service is at least 12 but less than 15 years, 2.75% for each year if total service is at least 15 but less than 20 years, and 3% for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all service rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the

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highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.

Funding Policy. Plan members are required by state statute to contribute 9.8 percent of their annual covered salary and the Pointe Coupee Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 9.25 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Pointe Coupee Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Pointe Coupee Parish Sheriff's contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$299,587, \$249,658 and \$207,254, respectively, equal to the required contributions for each year.

10. OTHER POSTEMPLOYMENT BENEFITS

The Pointe Coupee Parish Sheriff provides certain continuing health care and life insurance benefits for retired employees. The sheriff recognizes the cost of providing these benefits (the sheriff's portion of premiums) as an expenditure when the monthly premiums are due, which was \$50,088 for the year ending June 30, 2004. The sheriff had nine retirees receiving benefits as of June 30, 2004.

11. COMPENSATED ABSENCES

At June 30, 2004, employees of the sheriff have accumulated and vested \$166,295 of employee leave benefits, which was computed in accordance with GASB Codification C60. This entire amount is recorded as an obligation of the General Fund.

12. SHORT-TERM DEBT

The Pointe Coupee Parish Sheriff has a line of credit with a local bank which is used at times during the beginning of the year to help with cash flow shortages until ad valorem tax collections are received. During the year ending June 30, 2004, the sheriff borrowed and repaid \$1,405,000 on the line of credit. As of June 30, 2004, the line of credit balance was \$0.

13. LEASES

The sheriff records items under capital leases as an asset and an obligation in the accompanying financial statements. The sheriff entered into capital leases during the current year for the purchase of three law enforcement vehicles. The sheriff entered into capital leases during the prior years for the purchase of thirteen law enforcement vehicles and computers. The following is an analysis of capital leases:

Type	Recorded Amount
Vehicles	\$ 398,501
Computers	\$ 120,359

The following is a schedule of the future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2004:

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Fiscal Year:	<u>Vehicles & Computers</u>
2004-05	\$ 65,463
2005-06	41,698
2006-07	<u>0</u>
Total Minimum Lease Payments	107,161
Less- Amounts representing interest	<u>4,880</u>
Present value of net minimum lease payments	<u>\$ 102,281</u>

The sheriff has operating leases of the following nature:

Lease of Land for Sub-Station in Livonia	@ \$100 per month.
Lease of Land for Sub-Station in Lakeland	@ \$ 50 per month.
Lease of airport hanger	@ \$350 per month.
Lease of postage motor	@ \$383 per quarter.
Lease of helicopter hanger	@ \$200 per month.
Lease of parking area maintenance barn	@ \$3,047 per year.
Lease of storage sheds (2)	@ \$65 per month.

All operating lease agreements are cancelable upon 30 days advance notice by either party. Rental expenditures of \$16,285 for the year ended June 30, 2004 were paid from the general fund.

14. CHANGES IN AGENCY FUND BALANCES

See supplemental information Schedule of Changes in Balances Due to Taxing Bodies and Others.

15. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the years ended June 30, 2004:

	<u>Bonded</u> <u>Debt</u>	Lease Purchase Agreements	Total
Long-term obligations			
At June 30, 2003	\$ 590,000	\$ 167,248	\$ 757,248
Additions	0	70,050	70,050
Deductions	<u>(60,000)</u>	<u>(135,017)</u>	<u>(195,017)</u>
Long-term obligations			
At June 30, 2003	\$ 530,000	\$ 102,281	\$ 632,281

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2004:

	<u>Bonded</u> <u>Debt</u>	Lease Purchase Agreements	Total
Current portion	\$ 65,000	\$ 61,571	\$ 126,571
Long-term portion	<u>465,000</u>	<u>40,710</u>	<u>505,710</u>
Total	<u>\$530,000</u>	<u>102,281</u>	<u>\$ 632,281</u>

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All bonds of the sheriff outstanding at June 30, 2004, in the amount of \$530,000, consist of certificates of indebtedness with maturities from November 2004 to November 2010 and interest at rates from 0% to 5.3%. Forty three thousand of the outstanding certificates maturing in two annual installments consist of an interest free loan from the Louisiana Public Facilities Authority by virtue of purchasing this principal amount of the certificates. Bond principal and interest payable in the next fiscal year are \$65,000 and \$24,645, respectively. The individual issue is as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Certificate of Indebtedness, Series 2000	\$ 700,000	0.0 – 5.3	11/01/10	\$ 102,636	\$ 530,000

All principal and interest requirements are funded in accordance with Louisiana law by the excess of annual revenues of the general and special funds of the Law Enforcement District of the Parish of Pointe Coupee after payment of statutory, necessary, and usual charges. The certificates are due as follows:

<u>Year ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2005	\$ 65,000	\$ 24,645	\$ 89,645
2006	65,000	22,340	87,340
2007	70,000	19,345	89,345
2008	75,000	15,503	90,503
2009	80,000	11,395	91,395
Thereafter	175,000	9,408	184,408
Total	\$530,000	\$102,636	\$632,636

16. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2004, as reflected on the Combined Balance Sheet, include \$215,859 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$5,805. These funds are held pending resolution of the protests and are accounted for in the Tax Collector Agency Fund.

17. INTERFUND TRANSFERS

The following interfund transfers were incurred during the year ended June 30, 2004:

<u>Transferring Fund</u>	<u>Special Revenue Funds</u>
General Fund	\$ 2,617

Transfers from the general fund to the special revenues fund were done in order to meet grant match requirements.

18. RISK MANAGEMENT

The Pointe Coupee Parish Sheriff is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Pointe Coupee Parish Sheriff purchases commercial insurance with a self-insured retention. The Pointe Coupee Parish Sheriff accounts for and finances its uninsured risks of loss (self-insured retention) through the General Fund. The general fund is subject to a self-insured retention per occurrence for up to a maximum of \$50,000 for automobile claims, general liability and law enforcement claims, with the maximum cumulative amount of

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana
Notes to the Financial Statements

self-insured retention being \$200,000 per year in aggregate (aggregate does not apply to auto physical damage, employment related practices, healthcare or property losses). A reserve of \$54,665 was established and is reported as a designation of the General Fund fund balance. The claims liability of \$54,665 reported in the general fund at June 30, 2004 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

	Beginning of Fiscal Year Liability	Current Year Claims & Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2001-2002	\$ 26,573	\$ 67,159	\$ 52,880	\$ 40,852
2002-2003	\$ 40,852	\$ 1,875	\$ 9,584	\$ 33,143
2003-2004	\$ 33,143	\$ 54,119	\$ 32,597	\$ 54,665

19. LITIGATION AND CLAIMS

At June 30, 2004, the sheriff is involved in six lawsuits and one potential claim. The sheriff's legal counsel feels the cases will be resolved in the sheriff's favor. However, the ultimate resolution of these lawsuits cannot be presently determined and no provision for any liability that may result from such claims has been made in the financial statements. The cost of litigation and claims incurred during the fiscal year 2004 was \$24,663. This entire amount has been recorded as current-year expenditures in the General Fund.

**20. EXPENDITURES OF THE SHERIFF'S OFFICE
 PAID BY THE PARISH POLICE JURY**

Certain operating expenditures of the sheriff's office are paid by the parish police jury and are not included in the accompanying financial statements. These expenditures are summarized as follows:

- Description
1. Utilities - Main Office Courthouse Building
 2. Building Maintenance - Main Office Courthouse Building
 3. Parish Jail Maintenance - Pointe Coupee Parish Detention Center
 4. Feeding, medical care, and transporting of prisoners

21. ON-BEHALF PAYMENTS

A portion of the salaries of the sheriff's deputies are paid through a supplement from the state. These payments provide the deputies of the sheriff's office with an additional \$300 per month, which is added to their base salary. For the year ended June 30, 2004, \$196,362 was received from the state and is included in revenues under state supplemental pay and in expenses under personal service and related benefits on the combined statement of revenue, expenditures, and changes in fund balance.

22. INTERGOVERNMENTAL AGREEMENT

The Pointe Coupee Parish Sheriff's Office entered into an agreement with the West Feliciana Parish Sheriff's Office for the use of Pointe Coupee's helicopters, upon request, with sufficient and reasonable notice in order to enhance the delivery of law enforcement protection to the citizens of West Feliciana parish. Except in emergency situations, the nature of all helicopter missions shall be approved in advance by Pointe Coupee's aviation director, and only for law enforcement activities. The West Feliciana Sheriff is to reimburse Pointe Coupee for additional insurance costs due to adding West Feliciana as an insured, for actual costs of fuel used on West Feliciana flights, and maintenance or damages on one helicopter that it uses as long

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana
Notes to the Financial Statements

as the agreement is in force. West Feliciana's pilots, to be approved by Pointe Coupee's Aviation director and insurance carrier, shall be paid by West Feliciana as well as their pension, workers' compensation and related benefits. This agreement is effective November 1, 2000 and remains in effect until terminated by either party by thirty days written notice.

23. FEDERAL FINANCIAL ASSISTANCE

The sheriff participates in the following federal financial assistance programs:

<i>Federal Grantor/ Pass-Through Grantor/ Program Title</i>	<i>Federal CFDA Number</i>	<i>Pass Through Grantor's Number</i>	<i>Expenditures</i>
United States Dept. of Justice:			
Passed through the Louisiana Commission on Law Enforcement:			
Crime Victim Assistance (Victim Assistance Program)	16.575	C02-5-001 C03-5-001	6,431 5,102
Violence Against Women Formula Grants (Domestic Violence Program)	16.588	M01-5-001 M02-5-001	2,478 3,838
Juvenile Accountability Incentive Block Grant (Develop Accountability-Based Sanctions)	16.523	A01-8-024 A02-8-024	11,261 10,348
Juvenile Justice & Delinquency Prevention- Allocation to States (Family Strengthening Program)	16.540	J02-5-001	7,371
Byrne Formula Grant Program (Criminal Records Improvement)	16.579	B03-5-025	569
Passed through City of BR- Parish of EBR:			
Community Prosecution & Project Safe Neighborhoods	16.609	N/A	17,314
Direct:			
Public Safety Partnership & Community Policing Grant- COPS in Schools	16.710	2001SHWX0591	29,702
Local Law Enforcement Block Grant	16.592	2003-LB-BX-0143	18,194
Bullet Proof Vest Program	16.607	N/A	<u>8,989</u>
Total United States Department of Justice			121,597
U.S. Department of Homeland Security			
Passed through La. Office of Homeland Security & Emergency Preparedness:			
Emergency Management Performance Grants (EMPG Funding)	97.042	N/A	36,527

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana
Notes to the Financial Statements

Homeland Security Grant Program- (State Homeland Security Grant Program I)	97.067	ODPFY03IEquip	53,531
Homeland Security Grant Program- (State Homeland Security Grant Program II)	97.067	ODPFY03IIEquip	102,776
Citizens Corps Grant Program	97.053	LAOEP CITZ	1,200
Community Emergency Response Teams Grant	97.054	LAOEP CERT	5,100
State & Local All Hazards Emergency Operations Planning (Supplemental Planning Grant) (Terrorism Consequence Management Preparedness Asst)	97.051	LAOEP SUPP	6,000
Total Department of Homeland Security			<u>205,134</u>
Total Program Expenditures			<u>\$ 326,731</u>

24. SUBSEQUENT EVENTS

The Pointe Coupee Parish Sheriff borrowed \$1,465,000 from its bank line of credit as of November 23, 2004.

25. GOING CONCERNS

Due to the Pointe Coupee Parish Sheriff's deficit spending during the prior five years, a decrease in available fund balance, decreasing federal prisoner funding, and increasing operating costs due to inflation, concerns regarding their ability to continue as a going concern for a one-year period after the balance sheet date has been discussed with management. Without being able to continue as a going concern, the sheriff's office bills would be delayed or not paid at all, layoffs of personnel would be needed and security for the public at large would be decreased. Management feels that the upcoming year could result in positive operations due to increased tax revenue from reassessments, prior years freeze on capital expenditures and non-replacement of exiting personnel. However, management is also in agreement that drastic steps must be taken immediately to control costs and increase revenues. Management has taken steps to both decrease unnecessary costs and possibly raise additional revenues. The sheriff has kept in place freezes on hiring or replacing personnel who leave, capital expenditures, and non-essential spending. Further cost cutting can be had by closing substations and parking all road vehicles at a central location. Additional revenue can be raised through increased funding from federal prisoners, dispatching services from local entities, security from Entergy, and additional funding for housing parish prisoners. The sheriff has called for an election, to take place January 15, 2005, requesting an increase in property tax funding by proposing a 12 year 12 mill tax increase expected to raise an additional \$2.9 million in funds. With the passage of all steps taken, management feels this would alleviate the deficit spending.

REQUIRED SUPPLEMENTARY INFORMATION

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2004

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Ad valorem taxes	\$ 3,406,000	\$ 3,408,687	\$ 3,428,413	\$ 19,726
Intergovernmental revenues:				
Federal grants	36,371	55,021	83,070	28,049
State grants:				
State revenue sharing	164,000	164,000	162,010	(1,990)
State supplemental pay	194,400	194,400	198,362	1,962
Miscellaneous	0	0	1,575	1,575
Local	193,500	194,500	194,592	92
Fees, charges, and commissions for services:				
Commissions on licenses, etc.	21,600	21,600	18,182	(3,418)
Civil and criminal fees	77,000	81,000	86,604	5,604
Court attendance	5,000	5,000	5,984	984
Feeding, transporting, and keeping prisoners	798,000	788,000	683,666	(104,334)
Fines and forfeitures	60,000	90,000	107,525	17,525
Interest	7,000	4,000	4,693	693
Miscellaneous	262,200	315,087	366,733	51,646
Total revenues	5,225,071	5,321,295	5,339,409	18,114
EXPENDITURES				
Public safety:				
Salaries and related benefits	4,178,500	4,210,145	4,245,598	(35,453)
General Operations	808,143	820,833	742,976	77,857
Materials and supplies	278,110	348,505	360,332	(13,827)
Travel and other charges	0	0	0	0
Capital outlay	152,207	154,816	143,612	11,203
Debt service	88,871	88,871	95,794	(8,923)
Other expenses	47,250	51,350	66,994	(15,644)
Total expenditures	5,551,081	5,670,519	5,855,307	15,212
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (326,010)	\$ (349,224)	\$ (315,898)	\$ 33,326

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2004

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (328,010)	\$ (349,224)	\$ (315,898)	\$ 33,326
OTHER FINANCING SOURCES (Uses)				
Sale of equipment	5,000	5,000	5,028	28
Transfers in	0	0	6	6
Transfers out	0	0	(2,623)	(2,623)
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>2,403</u>	<u>(2,597)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(321,010)	(344,224)	(313,495)	30,729
FUND BALANCE AT BEGINNING OF YEAR	<u>342,592</u>	<u>416,311</u>	<u>416,311</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 565,618</u>	<u>\$ 72,087</u>	<u>\$ 102,822</u>	<u>\$ 30,735</u>

SUPPLEMENTAL INFORMATION SCHEDULES

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana

NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

JUVENILE ACCOUNTABILITY INCENTIVE BLOCK GRANTS

This program was established to provide states and units of local governments with funds to develop programs to promote greater accountability in the juvenile justice system. The grant is awarded by the Department of Justice, Office of Juvenile Justice and Delinquency Prevention and is conducted in accordance with contracts entered into with the Pointe Coupee Parish Sheriff and the Louisiana Commission on Law Enforcement. Federal funds and a local 10% cash match are the only revenue sources of this fund.

COPS IN SCHOOLS

This fund is used to account for the Department of Justice, Office of Community Oriented Policing Services grant awarded to the Pointe Coupee Parish Sheriff. The COPS grant is used to fund the placement of a resource officer within community schools and provides reimbursement for payroll and benefit expenses. The grant is for a three year period with the fourth year to be provided locally.

LAW ENFORCEMENT BLOCK GRANTS, CRIME VICTIM ASSISTANCE, AND VIOLENCE AGAINST WOMEN

These funds are used to account for the United States Department of Justice grants awarded to the Pointe Coupee Parish Sheriff as sub-grants passed through the Louisiana Commission on Law Enforcement. Expenditures of these funds are for direct services to crime victims, develop and strengthen law enforcement and prosecution strategies to combat violent crimes against women, and equipment purchases. These grants consist of a federal match and a local match.

**POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana**

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2004

	<u>SPECIAL REVENUE FUNDS</u>					<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
	<u>CRIME VICTIM ASST</u>	<u>VIOLENCE PREVENT</u>	<u>COPS IN SCHOOL GRANT</u>	<u>LEB GRANT</u>	<u>JUVENILE GRANT</u>	
ASSETS AND OTHER DEBITS						
Assets:						
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Receivables	0	0	0	0	0	0
Due from other funds	0	0	0	0	0	0
Total Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts and salaries payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Grant advances	0	0	0	0	0	0
Due to other funds	0	0	0	0	0	0
Total Liabilities	0	0	0	0	0	0
Equity and Other Credits:						
Unreserved - designated	0	0	0	0	0	0
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance-
Nonmajor Governmental Funds**

For the Year Ended June 30, 2004

	<u>SPECIAL REVENUE FUNDS</u>					<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
	<u>CRIME VICTIM ASST</u>	<u>VIOLENCE PREVENT</u>	<u>COPS IN SCHOOL GRANT</u>	<u>LLEB GRANT</u>	<u>JUVENILE GRANT</u>	
REVENUES						
Intergovernmental revenues:						
Federal grants	\$ 11,533	\$ 6,316	\$ 29,702	\$ 18,194	\$ 21,609	\$ 87,364
Interest	0	0	0	1	0	1
Total revenues	11,533	6,316	29,702	18,195	21,609	87,355
EXPENDITURES						
Public safety:						
Personal services and related benefits	0	0	29,702	0	13,650	43,252
General operations	11,533	5,757	0	0	0	17,290
Supplies	0	559	0	0	2,231	2,790
Capital outlays	0	0	0	20,817	5,828	26,644
Other expenses	0	0	0	0	0	0
Total expenditures	11,533	6,316	29,702	20,817	21,609	89,977
EXCESS(Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	(2,622)	0	(2,622)
OTHER FINANCING SOURCES (USES)						
Transfers in	0	0	0	2,623	0	(2,623)
Transfers (out)	0	0	0	(6)	0	(6)
Total other financing sources (uses)	0	0	0	2,617	0	2,617
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	0	0	0	(5)	0	(5)
FUND BALANCE AT BEGINNING OF YEAR	0	0	0	5	0	5
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana

FIDUCIARY FUND TYPE - AGENCY FUNDS

SHERIFF'S FUND

The Sheriff's Fund accounts for funds held in civil suits, sheriff's sales, and garnishments. It also accounts for collections of bonds, fines and costs, and payment of these collections to the recipients in accordance with applicable laws.

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1984, provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

FINE FUND

The fine fund is used to account for funds collected for judicial penalties as imposed by judges.

COMMISSARY FUND

This fund was established to provide commissary services to prisoners. The net proceeds of commissary sales are used for inmate welfare and other inmate related expenditures.

INMATE TRUST FUND

This fund was established as a holding account for prisoner deposits. Money orders or cash are received from the prisoners and deposited into this account and held in the account until requested.

BAIL BOND FUND

This fund accounts for the collection of a 2% of every 100 dollars bond premium fee to be distributed among the sheriff, district attorney, indigent defender board, and judicial court fund.

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana
FIDUCIARY FUNDS - AGENCY FUNDS

Combining Balance Sheet, June 30, 2004

	SHERIFF'S FUND	TAX COLLECTOR FUND	FINES FUND	COMMIS- SARY FUND	INMATE FUND	TOTAL
ASSETS						
Cash and cash equivalents	\$ 14,238	\$ 224,082	\$ 45,564	\$ 11,335	\$ 12,478	\$ 307,696
Due from other funds	0	0	0	0	0	0
TOTAL ASSETS	\$ 14,238	\$ 224,082	\$ 45,564	\$ 11,335	\$ 12,478	\$ 307,696
LIABILITIES						
Due to other funds	0	0	0	0	0	0
Due to taxing bodies and others	14,238	224,082	45,564	11,335	12,478	\$ 307,696
TOTAL LIABILITIES	\$ 14,238	\$ 224,082	\$ 45,564	\$ 11,335	\$ 12,478	\$ 307,696

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana
FIDUCIARY FUNDS - AGENCY FUNDS

**Schedule of Changes in Balance Due
to Taxing Bodies and Others
For the Year Ended June 30, 2004**

	SHERIFF'S FUND	TAX COLLECTOR FUND	FINES FUND	COMMIS- SARY FUND	INMATE FUND	Bail Bond FUND	TOTAL
BALANCES AT BEGINNING OF YEAR	\$ 16,209	\$ 193,309	\$ 36,624	\$ 10,712	\$ 16,163	\$ 0	\$ 276,018
ADDITIONS							
Deposits:							
Sheriff's Sales	449,876						449,876
Bonds	16,100						16,100
Fines and Costs			210,576				210,576
Garnishments	208,354						208,354
Other deposits	270		207	54,956	16,036	19,160	89,629
Taxes, etc. paid to tax collector		13,137,606					13,137,606
Total additions	674,601	13,137,606	210,783	54,956	15,036	19,160	14,112,142
Total	690,810	13,330,915	249,407	65,667	31,199	19,160	14,387,158
REDUCTIONS							
Taxes, fees, etc., distributed to taxing bodies and others		13,096,777					13,096,777
Deposits settled to:							
Sheriff's General Fund	16,680		19,380			4,760	40,850
Police jury			81,944				81,944
District Attorney			24,137			4,790	28,927
Clerk of Court	16,595		5,736				22,331
Indigent defender board			40,000			4,790	44,789
Attorneys, appraisers, etc.	173,129						173,129
Other settlements	470,168		32,647		18,721	4,790	526,326
Other reductions:							
Purchases - merchandise				54,332			54,332
Total reductions	676,572	13,096,777	203,843	54,332	18,721	19,160	14,089,406
BALANCES AT END OF YEAR	\$ 14,238	\$ 224,082	\$ 45,564	\$ 11,335	\$ 12,478	\$ 0	\$ 307,696

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

MAJOR & MORRISON

CERTIFIED PUBLIC ACCOUNTANTS

VAN P. MAJOR, CPA, PC
JOHN L. MORRISON, III, CPA, PC
MARK A. DAVID, CPA, PC

MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Paul Raymond Smith
Pointe Coupee Parish Sheriff
P O Box 248
New Roads, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pointe Coupee Parish Sheriff, as of and for the year ended June 30, 2004, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated November 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Pointe Coupee Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Pointe Coupee Parish Sheriff's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 04-01 and 04-02.

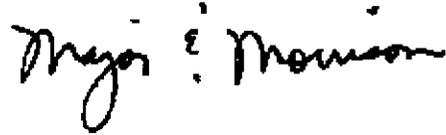
A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe all of the reportable conditions described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pointe Coupee Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Pointe Coupee Parish Sheriff, management, and the legislative auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Major & Morrison
New Roads, Louisiana
November 30, 2004

A handwritten signature in black ink that reads "Major & Morrison". The signature is written in a cursive, flowing style.

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness (es) identified? yes no

Reportable condition(s) identified not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 04-1

Criteria: In order to maintain adequate internal controls, proper segregation of duties, and provide proper document substantiation, supervisory personnel should obtain approval on reimbursement report requests, maintain copies on file and provide copies to the administrative department.

Condition: In some instances, grant award letters and reimbursement reports were not maintained on file nor provided to the sheriff's administrative office upon completion and submission to the grantor agencies.

Context: Upon testing and examination of grant reimbursement reports submitted by the sheriff's office, the director of emergency preparedness could not provide copies of reimbursement reports submitted to the grantor agencies and/or award letters on one homeland security grant.

Effect: Results in a breakdown of internal control procedures by not maintaining proper document substantiation for reimbursement requests, which were submitted to grantor agencies in accordance with grant requirements.

Cause: Director of Emergency Preparedness failed to maintain on file nor submit to the administrative office for approval copies of grant awards or reimbursement reports on grants, which were awarded to his department.

Recommendation: The director of emergency preparedness should submit copies of all grant awards to the administrative office for tracking and provide reimbursement reports for approval prior to submitting to the grantor agencies. He should also maintain copies of awards and reimbursement reports on file for a period of at least 3 years.

Management's Response: Management has taken additional steps to implement additional approval procedures with grants awarded through all departments, will hold supervisor meetings to inform them of additional controls to be implemented, and take additional measures as needed in order to maintain proper document substantiation on file.

Finding 04-2

Criteria: In order to maintain adequate internal controls and proper segregation of duties, approval by senior administrative personnel on supporting documentation should be performed prior to payment of the expenditures and only entity funds should be used to pay for expenses to be reimbursed via grant awards.

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

Condition: Proper approval on an expenditure involving a reimbursement grant was not obtained from senior administrative personnel prior to submission to the grantor agency for funding. Also, a non-sheriff's office check was incorrectly submitted to a grantor agency as documentation of expense disbursement in order to obtain reimbursement funding.

Context: Upon tests of disbursements on a homeland security supplemental grant, it was found that the director of emergency preparedness had submitted to the grantor agency a check drawn on an unrelated non-profit organization (a local emergency planning committee) checking account, which had no funds available to pay for the expense, as proof of grant expenditures in order to obtain funding prior to actual expense disbursement.

Effect: Results in a lack of internal control and not following proper control procedures. Lack of senior administrative approval could result in overpayments, improper payments, or misappropriation of funds. It also violates the grant agreement by requesting reimbursement for expenditures, which had not been paid at the time of reimbursement request.

Cause: The director of emergency preparedness, which is under the sheriff's direction but appointed by the police jury, incorrectly submitted to the grantor agency a non-sheriff's office check paying an invoice of grant expenses as documentation of the expense being paid in order to receive the grant reimbursement funds. The sheriff's administrative personnel received the grant funds and questioned the director regarding payment of the expenses reimbursed, which resulted in the director submitting the non-sheriff's office check used to obtain the grant reimbursement.

Recommendation: Senior administrative personnel should approve all expenditures prior to final payment and monitor more closely the disbursement process to ensure that all steps are followed through the final payment procedures. Also, non-sheriff's department checks should not be used to pay expenses involved in grants awarded to the sheriff's office.

Management's Response: Management discovered the incorrectly submitted check documenting expenses being paid after the grant funds were received by the administrative office. Upon receiving the funds, the director was questioned as to how the expenses were paid. He then produced a check drawn on a non-profit organization's checking account, which did not have funds available, as the documentation submitted to the grantor agency. Since no funds were available in the account, the expenses were actually never paid. Upon receiving this information, the sheriff's senior administrative officer contacted the grantor agency informing them of the circumstances, and then approved payment of the grant expenditures from the sheriff's office funds. Management has indicated that additional steps are being taken to prevent this from occurring again. The director of emergency preparedness has been informed of additional control procedures to be followed as well as the need to provide better communication between his department and the senior administrative office.

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2004

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken
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Section I – Internal Control and Compliance Material to the Financial Statements:

There were no prior year financial statement findings.

Section II – Internal Control and Compliance Material to Federal Awards:

No Findings.

Section III – Management Letter

No management letter was issued.

POINTE COUPEE PARISH SHERIFF
New Roads, Louisiana

Corrective Action Plan for
Current Year Audit Findings
For the Year Ended June 30, 2004

Ref. No.	Description of Finding	Corrective Action Planned	Name of Contact Person	Anticipated Completed
Section I – Internal Control and Compliance Material to the Financial Statements:				
04-01	Lack of internal controls- no documentation support on grant awards and/or reimbursement requests.	Additional Controls implemented informing supervisory personnel of the requirements to maintain on file all copies of grant awards and/or reimbursement reports.	Don Ewing S.Devillier PR Smith	11/2004
04-02	Lack of internal controls- no senior admin. approval on grant expenses prior to submission to grantor agency; incorrect use of non-sheriff office check to pay for sheriff office grant.	Additional Controls implemented informing supervisory personnel of the requirements to obtain senior approval on all grant expenses prior to payment. Also, that non-sheriff office checks should not be used for payments of sheriff grant expenses.	Don Ewing S.Devillier PR Smith	11/2004

Section II – Internal Control and Compliance Material to Federal Awards:

See findings 04-01 and 04-02 above.

Section III – Management Letter

Going concern considerations and need for improvement of communication between administrative personnel and director of emergency preparedness.

MAJOR & MORRISON

CERTIFIED PUBLIC ACCOUNTANTS

VAN F. MAJOR, CPA, PC
JOHN L. MORRISON, III, CPA, PC
MARK A. DAVID, CPA, PC

MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Management Letter

Pointe Coupee Parish Sheriff
New Roads, Louisiana

In planning and performing our audit of the financial statements of the Pointe Coupee Parish Sheriff for the year ended June 30, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, we noted certain matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgement, could adversely affect Pointe Coupee Parish Sheriff's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. In addition, because of inherent limitations in internal control, errors or fraud may occur and not be detected by such controls. However, the reportable conditions reflected on the schedule of findings and questioned costs in our audit of the financial statements for the year ended June 30, 2004 as items 04-01 and 04-02 we believe to be material weaknesses.

In addition to the findings and comments noted in the reports as identified above which constitute reportable conditions and material weaknesses, we wish to communicate the following comments and recommendations to management and the sheriff:

The sheriff has made an effort to cut costs in the past few years in order to reduce deficit spending and the using up of all available fund balance. Cuts have been instituted in various supplies by purchasing only that which is necessary, capital expenditures have been frozen over the past two years, and exiting personnel have not been replaced in an effort to reduce workforce expenses. Additional revenue items have been discussed involving requests for increased funding from local entities for the communication center, increased funding on parish prisoners, and possibly obtaining additional INS prisoners for the jail. The sheriff has also called for a January 15, 2005 local election to raise property taxes by 12 mills for 12 years in order to provide additional revenue for the department. These steps have been instituted to bring in line past years deficit spending and provide for additional revenue funding for the department. Being that this is a reassessment year, management is expecting an increase in property tax revenue and along with expense reduction, hopes to eliminate deficit spending from next fiscal years operations. We recommend that this situation be monitored closely and that if reassessment taxes and recommended cuts fail to produce positive results, emergency cuts of personnel be instituted in order to end the fiscal year in positive operating territory.

Pointe Coupee Parish Sheriff
Management Letter
November 30, 2004
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The department of emergency preparedness was moved under the jurisdiction of the sheriff from the police jury (although the jury maintains control of appointing the director) by agreement between the agencies a few years ago. There seems to be a lack of cooperating communication between the director of emergency preparedness and senior administrative staff of the sheriff's office making it difficult for the administrative office to maintain proper controls and documentation over certain homeland security grants. We feel that additional steps need to be taken by the director of emergency preparedness to communicate more fully with the sheriff's administrative office and to work with them in order to improve record keeping regarding all homeland security grants. Because homeland security concerns are an area of growing importance all over the country, additional resources will be allocated to these operations and it is imperative that the provided funds be tracked and spent according to required guidelines.

This report is intended solely for the information and use of the Pointe Coupee Parish Sheriff, its management, others within its administration, federal awarding agencies, pass through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Major & Morrison
New Roads, Louisiana
November 30, 2004

Major & Morrison